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- (c) Condition 5 will be modified by the deletion of Condition 5(I)(a) and its replacement by the following:-

(1) Bonos Externos de la República Argentina issued under Law No. 19,686 enacted on June 15, 1972 and (2) any indebtedness issued by the Republic in exchange, or as replacement, for any indebtedness referred to in (1) above.

(a) *Interest Rate and Accrual*

Each Fixed Rate Note (i) bears interest on its Calculation Amount (as defined in Condition 5(III)) from the Interest Commencement Date in respect thereof at the rate per annum (expressed as a percentage) equal to the Interest Rate specified on the face of such Note payable in arrear on each Reference Date or Reference Dates specified on the face of such Note in each year and on the Maturity Date specified on the face of such Note if that date does not fall on a Reference Date or (ii) bears interest as otherwise specified on the face of such Note.

Unless otherwise specified on the face of such Note, the first payment of interest will be made on the Reference Date next following such Interest Commencement Date (and if the Interest Commencement Date is not a Reference Date, will amount to the Initial Broken Amount specified on the face of such Note), unless the Maturity Date falls before the date on which the first payment of interest would otherwise be due. If the Maturity Date is not a Reference Date, interest from the preceding Reference Date (or from the Interest Commencement Date, as the case may be) to the Maturity Date will amount to the Final Broken Amount specified on the face of such Note.

Interest will cease to accrue on each Fixed Rate Note on the due date for redemption or, if the Amortisation Provisions are specified on the face of the Notes as applying to such Notes, on each principal amount on the due date for payment thereof unless, upon due presentation (where presentation is required for payment), payment of principal is improperly withheld or refused. Any overdue principal of, and, to the extent permitted by law, overdue interest on any Fixed Rate Note shall bear interest (before and after judgment), payable on demand, for each day such payment is due at the rate and in the manner provided in this Condition 5(I) to the Relevant Date (as defined in Condition 8).

- (d) Condition 5 will be modified by the inclusion of the following new Clause 5(VI):

(VI) *Principal Only Notes*

Where a Principal Only Note is repayable prior to its Maturity Date and is not paid when due, the amount due and payable shall be the Amortised Face Amount of such Note as determined in accordance with Condition 6(g)(iii). Where a Principal Only Note is to be redeemed on its Maturity Date and is not paid when due, any overdue principal of such Note shall bear interest at a rate per annum (expressed as a percentage) equal to the Amortisation Yield for Principal Only Notes specified on the face of such Note. Such interest shall continue to accrue (on the same basis as that referred to in Condition 5(I)) (before and after judgment) to the Relevant Date.

The Amortisation Yield for the Principal Only Notes is 9.76% per annum.

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- (e) Condition 5 will be modified by the inclusion of the following new Clause 5(VII):

(VII) Interest Only Notes

Where an Interest Only Note is payable prior to its Reference Date and is not paid when due, the amount due and payable shall be the Amortised Face Amount of such Note as determined in accordance with Condition 6(h)(iii). Where an Interest Only Note is to be paid on its Reference Date and is not paid when due, any overdue interest amount of such Note shall, to the extent permitted by law, bear interest at a rate per annum (expressed as a percentage) equal to the Amortisation Yield for the relevant Class of Interest Only Notes specified on the face of such Note. Such interest shall continue to accrue (on the same basis as that referred to in Condition 5(f)) (before and after judgment) to the Relevant Date.

The Amortisation Yield for each Class of Interest Only Notes

is:

Class 2001 Interest Only Notes: 7.53% per annum
Class 2006 Interest Only Notes: 8.76% per annum
Class 2011 Interest Only Notes: 9.535% per annum
Class 2016 Interest Only Notes: 9.78% per annum
Class 2021 Interest Only Notes: 9.89% per annum
Class 2026 Interest Only Notes: 9.845% per annum

- (f) Condition 6 will be modified by the inclusion of the following new Clause 6(g):

(g) Early Redemption of Principal Only Notes

(i) The amount payable in respect of any Principal Only Note upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note.

(ii) Subject to the provisions of Condition 6(g)(iii), the Amortised Face Amount of any Principal Only Note shall be the sum of (A) the Reference Price for Principal Only Notes specified on the face of such Note and (B) the aggregate amortisation of the difference between such Reference Price and the Principal Amount of such Note from the Issue Date to the date on which such Note becomes due and payable at a rate per annum (expressed as a percentage) equal to the Amortisation Yield for Principal Only Notes specified on the face of such Note compounded annually. Where the specified calculation is to be made for a period of less than one year, it shall be made on the Fixed Rate Day Basis specified on the face of such Note.

(iii) If the amount payable in respect of any Principal Only Note upon it becoming due and payable as provided in Condition 10 is not paid when due, the amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as described in Condition 6(g)(ii), except that Condition 6(g)(ii) shall have effect as though the reference therein to the date on which the Note becomes due and payable were replaced by a reference to the Relevant Date. The calculation of the Amortised Face Amount in accordance with this Condition 6(g)(iii) will continue to be made (before and after judgment) until the Relevant Date

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- (g) Condition 6 will be modified by the inclusion of the following new Clause 6(h):

unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the Principal Amount of such Note together with any interest which may accrue in accordance with Condition 5(VI).

The Reference Price for the Principal Only Notes is 6.1190 per cent.

(h) Early Redemption of Interest Only Notes

(i) The amount payable in respect of any Interest Only Note upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note.

(ii) Subject to the provisions of Condition 6(h)(iii), the Amortised Face Amount of any Interest Only Note shall be the sum of (A) the Reference Price for the Class of Interest Only Notes to which such Interest Only Note belongs specified on the face of such Note and (B) the aggregate amortisation of the difference between such Reference Price and the Face Amount of such Note from the Issue Date to the date on which such Note becomes due and payable at a rate per annum (expressed as a percentage) equal to the Amortisation Yield for the relevant Class of Interest Only Notes specified on the face of such Note compounded annually. Where the specified calculation is to be made for a period of less than one year, it shall be made on the Fixed Rate Day Basis specified on the face of such Note.

(iii) If the amount payable in respect of any Interest Only Note upon it becoming due and payable as provided in Condition 10 is not paid when due, the amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as described in Condition 6(h)(ii), except that Condition 6(h)(ii) shall have effect as though the reference therein to the date on which the Note becomes due and payable were replaced by a reference to the Relevant Date. The calculation of the Amortised Face Amount in accordance with this Condition 6(h)(iii) will continue to be made (before and after judgment) until the Relevant Date unless the Relevant Date falls on or after the Reference Date for such Class of Notes, in which case the amount due and payable shall, to the extent permitted by law, be the Face Amount of such Note together with any interest which may accrue in accordance with Condition 5(VII).

The Reference Price for each Class of Interest Only Notes is:

Class 2001 Interest Only Notes: 80.4287%
 Class 2006 Interest Only Notes: 51.0795%
 Class 2011 Interest Only Notes: 30.6064%
 Class 2016 Interest Only Notes: 18.6458%
 Class 2021 Interest Only Notes: 11.4278%
 Class 2026 Interest Only Notes: 7.2136%.

FROM

- (h) Condition 7(b)(ii) will be modified by the insertion of the following sentence after the first sentence:
- (i) Condition 9 will be modified to read as follows:
- (j) Condition 10 shall be modified by the inclusion of the following paragraph at the end of Condition 10:
- (k) Condition 11 shall be modified by the inclusion of the following paragraph at the end of Condition 11:
- (l) Condition 12 shall be modified by the inclusion of the following paragraph at the end of Condition 12:
- (m) The Terms and Conditions shall be further amended to provide as follows for a new Condition 7A:

(a) Definitions

Payments in respect of Interest Only Notes will only be made against surrender of the relevant Interest Only Note at the specified office of any Transfer Agent.

Claims against the Republic for payment in respect of the Notes, Principal Coupons (if any) and Coupons (which, for this purpose shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal or, in respect of Interest Only Notes, interest) and five years (in the case of interest, other than in respect of Interest Only Notes) from the appropriate Relevant Date in respect thereof.

This Condition 10 shall apply to Principal Only Notes and Interest Only Notes as if references in this Condition 10 to "Notes" were references to the Principal Only Notes alone or to each Class of Interest Only Notes treated separately (and "Noteholders" shall be construed accordingly) and as if references to "principal amount" were, in the case of Interest Only Notes, references to "Face Amount".

This Condition 11 shall apply to Principal Only Notes and Interest Only Notes as if references in this Condition 10 to "Notes" were references to the Principal Only Notes alone or to each Class of Interest Only Notes treated separately (and "Noteholders" shall be construed accordingly) and as if references to "principal amount" were, in the case of Interest Only Notes, references to "Face Amount".

This Condition 12 shall apply to Principal Only Notes and Interest Only Notes as if references in this Condition 10 to "Notes" were references to the Principal Only Notes alone or to each Class of Interest Only Notes treated separately (and "Noteholders" shall be construed accordingly) and as if references to "principal amount" were, in the case of Interest Only Notes, references to "Face Amount".

7A. EURO Provisions

For the purposes of the Conditions, the following terms shall have the meanings specified herein:

"EMU" means the Economic and Monetary Union as contemplated in the Treaty;

"EMU Date" means the date on which the third stage of EMU has started or events have occurred which have substantially the same effects as those of the third stage of EMU as contemplated by the Maastricht Treaty;

"EURO" means the currency to be introduced within the participating Member States pursuant to the Maastricht Treaty;

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"Maastricht Treaty" means the treaty on European Unity which was signed at Maastricht on February 1, 1992 and came into force on November 1, 1993;

"participating Member State" means a member state of the European Community established by the Treaty which adopts the single currency in accordance with the Treaty; and

"Treaty" means the Treaty of Rome of March 25, 1957, as amended by the Single European Act 1986 and the Maastricht Treaty, establishing the European Community, as amended from time to time.

(b) *General*

References in the Conditions to any business day, day-count fraction or other convention (whether for the calculation of interest, determination of payment dates or otherwise) shall, if different, with effect from the EMU Date, be deemed to be amended to comply with any conventions applicable to EURO-denominated obligations pursuant to applicable requirements of relevant monetary, stock exchange or other authorities, applicable European Community and national laws and regulations and such market practices consistent therewith as the Principal Paying Agent, in its discretion, shall determine to be applicable for such EURO-denominated obligations held in international clearing systems and the Conditions shall be deemed to be amended accordingly.

Upon any change to the Conditions, notice thereof will be given to Noteholders in accordance with the Conditions.

Determinations made by the Principal Paying Agent will, in the absence of manifest error, be conclusive and binding on the Republic and the Noteholders. In the discharge of its duties and responsibilities, the Principal Paying Agent is acting in its capacity as agent solely of the Republic. The Principal Paying Agent does not have any fiduciary duty towards the Noteholders.

Payments pursuant to Condition 7 shall be made in EURO provided that, before the EMU Date, all payments in respect of the Notes shall be made in ECU at the rate of one ECU for one EURO and all provisions in the Conditions relating to ECU notes shall therefore apply. After the EMU Date, payments will be made by the Principal Paying Agent by a EURO cheque drawn on, or by transfer to a EURO account maintained by the payee with, a bank in a principal financial centre for the payment of Euros.

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For the purposes of Condition 7(a), "business day" means a day on which commercial banks and foreign exchange markets are open for business in the relevant place of presentation and which is: (i) in the case of payment in EURO or ECU, a day on which commercial banks and foreign exchange markets are open for business and carrying out transactions in EURO or ECU, as the case may be, in the country of the EURO or ECU account specified by the relevant payee; or (ii) in the case of payment in a chosen currency, a day on which commercial banks and foreign exchange markets are open for business and carrying out transactions in such chosen currency in the principal financial centre of such chosen currency.

23. Any additional selling restrictions:

No

24. Listed/Unlisted:

Yes: Luxembourg Stock Exchange and Buenos Aires Stock Exchange

25. Other relevant terms of such Notes:

None

26. Stabilising Manager:

ABN AMRO Bank N.V. for the Principal Only Notes and each Class of Interest Only Notes.

27. Common Code:

Principal Only Notes: 8730261

Class 2001 Interest Only Notes: 8730199

Class 2006 Interest Only Notes: 8730202

Class 2011 Interest Only Notes: 8730229

Class 2016 Interest Only Notes: 8730237

Class 2021 Interest Only Notes: 8730245

Class 2026 Interest Only Notes: 8730253

28. ISIN:

Principal Only Notes: US04011MAR16

Class 2001 Interest Only Notes: US04011MAK62

Class 2006 Interest Only Notes: US04011MAL46

Class 2011 Interest Only Notes: US04011MAM29

Class 2016 Interest Only Notes: US04011MAN02

Class 2021 Interest Only Notes: US04011MAP59

Class 2026 Interest Only Notes: US04011MAQ33

29. CUSIP Number:

Principal Only Notes: 04011MAR1

Class 2001 Interest Only Notes: 04011MAK6

Class 2006 Interest Only Notes: 04011MAL4

Class 2011 Interest Only Notes: 04011MAM2

Class 2016 Interest Only Notes: 04011MAN0

Class 2021 Interest Only Notes: 04011MAP5

Class 2026 Interest Only Notes: 04011MAQ3

30. CINS Number:

Principal Only Notes: 04011NAR9

Class 2001 Interest Only Notes: 04011NAK4

Class 2006 Interest Only Notes: 04011NAL2

Class 2011 Interest Only Notes: 04011NAM0

Class 2016 Interest Only Notes: 04011NAN8

Class 2021 Interest Only Notes: 04011NAP3

Class 2026 Interest Only Notes: 04011NAQ1

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31. Exchange Date for exchange of Temporary Global Note for interests in a Global Note: N/A
32. Whether Permanent Global Note to be exchangeable for definitive Notes at the option of the Republic: N/A
33. Whether DTC Unrestricted Global Note and/or DTC Restricted Global Note available: Yes. Initially, both Principal Only Notes and Interest Only Notes, will be represented by a DTC Unrestricted Global Note and a DTC Restricted Global Note and not by individual Definitive Registered Principal Only Notes or individual Definitive Registered Interest Only Notes
34. Use of Proceeds: Payment of part of the principal amounts of debt becoming due within the next 12 months and financing public investment as contemplated by the National Budget
35. Commissions and concessions for syndicated issues: N/A
36. Commissions paid to the Dealer by the Issuer: 1% of the net proceeds
37. Selling Group Concession: 0.5% of the selling group price for the Principal Only Notes or each Class of Interest Only Notes, as the case may be
38. Additional Information: On February 9, 1996, the National Executive Power issued Decree 127/96, under the provisions of which the holding of, or title to, the Notes by an individual or entity that is not domiciled in Argentina is not subject to the Personal Asset Tax

Application is hereby made to list the Principal Only Notes and each Class of Interest Only Notes on the Luxembourg Stock Exchange pursuant to the listing of the U.S.\$11,000,000,000 Euro Medium-Term Note Programme of The Republic of Argentina (as from May 28, 1998).

The Chase Manhattan Bank
(as Principal Paying Agent)

FROM

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SUPPLEMENTAL INFORMATION MEMORANDUM

This Supplemental Information Memorandum is supplemental to and should be read in conjunction with an Information Memorandum dated January 4, 1995 (together, the "Information Memorandum") relating to the Euro Medium-Term Note Programme (the "Programme") for the issue of Notes of The Republic of Argentina (the "Republic") having maturities from 30 days to 30 years from the date of issue. This Supplemental Information Memorandum is deemed to be incorporated into the Information Memorandum. Terms defined or otherwise attributed meanings in the Information Memorandum have the same meaning in this Supplemental Information Memorandum. The Republic has warranted to the Dealers that, inter alia, this Supplemental Information Memorandum is true and accurate in all material respects, does not contain any untrue statement of material fact nor omits to state any material fact known to the Republic necessary to make statements herein not misleading and all reasonable enquiries have been made to ascertain such facts and to verify the accuracy of all such statements. The Republic accepts responsibility accordingly.

TERMS AND CONDITIONS OF THE SERIES 61 NOTES

The following is the text of the terms and conditions which, as supplemented or varied in accordance with the provisions of the Pricing Supplement, will be endorsed on the DTC Global Notes and the individual definitive Registered Notes comprising Series 61:—

The Notes (as defined below) are constituted by a Trust Deed dated July 27, 1993 as supplemented from time to time by various supplemental trust deeds including a tenth Supplemental Trust Deed dated May 28, 1998 (together, the "Trust Deed"), and made between the Republic of Argentina (the "Republic") and Chase Manhattan Trustees Limited (the "Trustee", which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below). These terms and conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the forms of the Notes, the interest coupons (if any) relating to them (the "Coupons"), the talons (if any) for further coupons (the "Talons") and the principal coupons (if any) relating to them (the "Principal Coupons"). Copies of the Trust Deed and of the Agency Agreement dated July 27, 1993, as supplemented from time to time by various supplemental agency agreements including a ninth Amendment Agreement dated May 28, 1998 (together the "Agency Agreement") and made between the Republic, the Trustee, The Chase Manhattan Bank, N.A., London branch as principal paying agent (the "Principal Paying Agent") and as calculation agent (the "Calculation Agent"), Chase Manhattan Bank Luxembourg S.A. as paying agent (together with the Principal Paying Agent, the "Paying Agents") and as European transfer agent and The Chase Manhattan Bank, N.A., New York branch as registrar (the "Registrar") and as New York transfer agent (together with the European transfer agent, the "Transfer Agents") are available for inspection at the specified offices of each of the Trustee, the Registrar and the Paying Agents. The Paying Agents, the Calculation Agent, the Registrar and the Transfer Agents are together referred to herein as the "Agents". The Noteholders (as defined below), the holders of the Coupons (if any) and, where applicable in the case of interest bearing Notes in bearer form, the Talons (the "Couponholders") and the holders of Principal Coupons (the "Principal Couponholders") appertaining to the payment of principal in instalments pursuant to any amortisation provisions (the "Amortisation Provisions") specified on the face of the Notes of any Series as applying to such Notes are entitled to the benefit of, are bound by and are deemed to have notice of all of the provisions of the Trust Deed and are deemed to have notice of those applicable to them of the Agency Agreement.

1. Form, Currency, Denomination, Title and Pricing Supplement

(a) Form

Each Series of Notes of which this Note forms part (in these Conditions, the "Notes") are issued either in bearer form ("Bearer Notes") in the Principal Amount of an Authorised Denomination (as defined in Condition 1(b)), or in registered form ("Registered Notes") in the Principal Amount of an Authorised Denomination. The bearer or registered form of each Note will be specified on its face, and these Conditions must be read accordingly. A definitive Note will be issued to each holder of Registered Note(s)

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in respect of its registered holding or holdings (each a "Definitive Registered Note"). Each Definitive Registered Note will be numbered serially with an identifying number which will be recorded in the register (the "Register") which the Republic shall procure to be kept by the Registrar. The Principal Amount of each Note will be specified on its face.

The right to be paid interest on a Registered Note may be separated irrevocably from the right to be repaid principal, as specified on its face. If so separated, the entitlement of the holder to be paid the interest on any specified date shall be represented by an interest Note in registered form (each an "Interest Only Note" and, together with all other Interest Only Notes in respect of the same specified date, a "Class of Interest Only Notes") and the entitlement of the holder to be repaid the principal on any specified date shall be represented by a principal Note in registered form (a "Principal Only Note"). The Interest Only Notes and Principal Only Notes shall be issued in separate definitive Notes or in a single Registered Note, each of which will be numbered serially with an identifying number. Holders of each Class of Interest Only Notes will be recorded in the interest register (the "Interest Register") and holders of the Principal Only Notes will be recorded in the principal register (the "Principal Register"), in each case which the Republic shall procure to be kept by the Registrar. The Principal Amount of each Principal Only Note and the Face Amount of each Interest Only Note will be specified on its face. Except as expressly provided or where the context requires otherwise, references in these Conditions to "Notes" and "Registered Notes" shall include Principal Only Notes and Interest Only Notes.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, a Step-up Note or a Step-down Note (depending upon the Interest Basis specified on its face). All payments in respect of this Note shall be made in the Specified Currency specified on its face (subject, where the currency so shown is ECU, to the provisions of Conditions 7(f)).

Bearer Notes are issued with Coupons (and, where appropriate in the case of interest bearing Bearer Notes, Talons) attached, save in the case of a Zero Coupon Note in which case references to interest (other than in relation to interest due after its Maturity Date), Coupons and Talons in these Conditions are not applicable. Bearer Notes to which the Amortisation Provisions are specified on the face of such Bearer Notes as applying (which may not be issued as Zero Coupon Notes) are issued with one or more Principal Coupons attached.

(b) *Denomination*

"Authorised Denomination" means:

(i) in the case of a Bearer Note, the denomination or denominations specified on the face of such Note. Bearer Notes of one Authorised Denomination may not be exchanged for Bearer Notes of another Authorised Denomination (if any); or

(ii) in the case of a Registered Note which is resold pursuant to Rule 144A under the Securities Act, U.S.\$250,000 (or its equivalent rounded upwards as specified on the face of such Note) and higher integral multiples of U.S.\$50,000 (or its equivalent as aforesaid) and in the case of a Registered Note sold pursuant to Regulation S under the Securities Act, U.S.\$10,000 (or its equivalent as aforesaid) and integral multiples thereof, or, in either case, the higher denomination or denominations specified on the face of such Note.

Any minimum Authorised Denomination of a Note required by any law or directive or regulatory authority in respect of the currency of issue of such Note shall be such as applied on or prior to the Issue Date (as defined in Condition 5(III)) specified on the face of such Note.

(c) *Title*

Title to the Bearer Notes, the Principal Coupons appertaining thereto (if any), the Coupons appertaining thereto and, where applicable, the Talons appertaining thereto shall pass by delivery. Title to the Registered Notes shall pass by registration in the Register, the Interest Register or the Principal Register, as the case may be. Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note, Principal Coupon, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Note, Principal Coupon, Coupon or Talon, as the case may be, for the purpose

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of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note, Principal Coupon, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft or loss thereof or any writing thereon made by anyone

In these Conditions, "Noteholder" and, in relation to a Note, Principal Coupon, Coupon or Talon, "holder", means the bearer of any Bearer Note, Principal Coupon, Coupon or Talon, and the person in whose name a Registered Note is registered (as the case may be). "Series" means Notes which have identical terms and conditions, other than in respect of Interest Commencement Dates (as defined in Condition 5(III)), Issue Dates and related matters; and "Tranche" means, in relation to a Series, those Notes of such Series which have the same Issue Date.

(d) *Pricing Supplement*

References in these Conditions to terms specified on the face of a Note shall be deemed to include references to terms specified in the applicable pricing supplement issued in respect of a Tranche which includes such Note (each a "Pricing Supplement").

2. *Transfers of Registered Notes and Issue of Definitive Registered Notes*

(a) *Transfer of Registered Notes*

A Registered Note may be transferred in whole or in part in an Authorised Denomination upon the surrender of the Definitive Registered Note issued in respect of the Registered Note to be transferred, together with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar or any Transfer Agent. In the case of a transfer of part only of a Registered Note a new Definitive Registered Note in respect of the balance not transferred will be issued to the transferor. Each new Definitive Registered Note to be issued upon transfer of Registered Notes will, within three business days of receipt of such form of transfer, be mailed at the risk of the holder entitled to the new Definitive Registered Note to such address as may be specified in such form of transfer.

(b) *Transfer Free of Charge*

Registration of transfer will be effected without charge by or on behalf of the Republic, the Registrar or the Transfer Agents, but upon payment (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require) in respect of any tax or other governmental charges which may be imposed in relation to it.

(c) *Closed Periods*

No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on the due date for any payment of principal or Amortised Face Amount (as determined in accordance with Condition 6(c), 6(g) or 6(h)) or, in respect of Interest Only Notes, interest on that Note, (ii) during the period of 60 days prior to any date on which Notes of the relevant Series may be redeemed by the Republic at its option pursuant to Condition 6(d) or (iii) after any such Note has been drawn for redemption in whole or in part.

(d) *Regulations*

All transfers of Registered Notes and entries on the Register, the Principal Register or the Interest Register, as the case may be, will be made subject to the detailed regulations concerning transfers of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Republic, with the prior written approval of the Trustee and the Registrar. A copy of the current regulations will be mailed by the Registrar to any holder of a Registered Note who requests a copy.

3. *Status*

The Notes, Principal Coupons (if any) and Coupons of all Series constitute (subject to Condition 4) direct, unconditional, unsecured and unsubordinated obligations of the Republic and shall at all times rank *pari passu* and without any preference among themselves. The full faith and credit of the Republic has been pledged for the due and punctual payment of the principal or Amortised Face Amount of, or interest

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on, the Notes and the performance of the covenants in the Notes and the Trust Deed. The payment obligations of the Republic under the Notes, Principal Coupons (if any) and the Coupons shall (subject to Condition 4) at all times rank at least equally with all its other present and future unsecured and unsubordinated External Indebtedness (as defined in Condition 4).

4. Negative Pledge and Covenants

(a) Negative Pledge

So long as any Note, Principal Coupon or Coupon remains outstanding (as defined in the Trust Deed), save for the exceptions set out in Condition 4(b), the Republic will not create or permit to subsist any lien, pledge, mortgage, security interest, deed of trust, charge or other encumbrance or preferential arrangement which has the practical effect of constituting a security interest ("Lien") upon the whole or any part of its assets or revenues to secure any Public External Indebtedness of the Republic unless, at the same time or prior thereto, the Republic's obligations under the Notes, the Principal Coupons (if any), the Coupons and the Trust Deed either (i) are secured equally and rateably therewith, or (ii) have the benefit of such other security, guarantee, indemnity or other arrangement as the Trustee in its absolute discretion shall deem to be not materially less beneficial to the Noteholders or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders (including, if the Amortisation Provisions are specified on the face of Bearer Notes as applying to such Notes, the Principal Couponholders).

(b) Exceptions to Negative Pledge

The following exceptions apply to the Republic's obligations under Condition 4(a):-

(i) any Lien upon property to secure Public External Indebtedness of the Republic incurred for the purpose of financing the acquisition of such property; any renewal or extension of any such Lien which is limited to the original property covered thereby and which secures any renewal or extension of the original secured financing;

(ii) any Lien existing on such property at the time of its acquisition to secure Public External Indebtedness of the Republic and any renewal or extension of any such Lien which is limited to the original property covered thereby and which secures any renewal or extension of the original secured financing;

(iii) any Lien created in connection with the transactions contemplated by the Republic of Argentina 1992 Financing Plan dated June 23, 1992 sent to the international banking community with the communication dated June 23, 1992 from the Minister of Economy and Public Works and Services of Argentina (the "1992 Financing Plan") and the implementing documentation therefor, including any Lien to secure obligations under the collateralised bonds issued thereunder (the "Par and Discount Bonds") and any Lien securing indebtedness outstanding on the date hereof to the extent required to be equally and rateably secured with the Par and Discount Bonds;

(iv) any Lien in existence on the date of the Trust Deed;

(v) any Lien securing Public External Indebtedness of the Republic issued upon surrender or cancellation of any of the Par and Discount Bonds or the principal amount of any indebtedness outstanding as of June 23, 1992, in each case, to the extent such Lien is created to secure such Public External Indebtedness on a basis comparable to the Par and Discount Bonds;

(vi) any Lien on any of the Par and Discount Bonds; and

(vii) any Lien securing Public External Indebtedness incurred for the purpose of financing all or part of the costs of the acquisition, construction or development of a project provided that (a) the holders of such Public External Indebtedness expressly agree to limit their recourse to the assets and revenues of such project as the principal source of repayment of such Public External Indebtedness and (b) the property over which such Lien is granted consists solely of such assets and revenues.

(c) *Definitions*

"External Indebtedness" means obligations (other than the Notes) for borrowed money or evidenced by bonds, debentures, notes or other similar instruments denominated or payable, or which at the option of the holder thereof may be payable, in a currency other than the lawful currency of the Republic provided that no Domestic Foreign Currency Indebtedness shall constitute External Indebtedness.

"Public External Indebtedness" means any External Indebtedness of, or guaranteed by, the Republic which (i) is publicly offered or privately placed in securities markets, (ii) is in the form of, or represented by, bonds, notes or other securities or any guarantees thereof and (iii) is, or was intended at the time of issue to be, quoted, listed or traded on any stock exchange, automated trading system or over-the-counter or other securities market (including, without prejudice to the generality of the foregoing, securities eligible for PORTAL or a similar market for the trading of securities eligible for sale pursuant to Rule 144A under the U.S. Securities Act of 1933 (or any successor law or regulation of similar effect)).

"Domestic Foreign Currency Indebtedness" means (i) the following indebtedness: (a) Bonos del Tesoro issued under Decree No. 1527/91 and Decree No. 1730/91, (b) Bonos de Consolidación issued under Law No. 23,982 and Decree No. 2140/91, (c) Bonos de Consolidación de Deudas Previsionales issued under Law No. 23,982 and Decree No. 2140/91, (d) Bonos de la Tesorería a 10 Años de Plazo issued under Decree No. 211/92 and Decree No. 526/92, (e) Bonos de la Tesorería a 5 Años de Plazo issued under Decree No. 211/92 and Decree No. 526/92, (f) Ferrobonos issued under Decree No. 52/92 and Decree No. 526/92, (g) Bonos de Consolidación de Regalías Hidrocarburíferas a 16 Años de Plazo issued under Decree No. 2284/92 and Decree No. 54/93, (h) Bonos del Tesoro a Mediano Plazo en Dólares Estadounidenses issued under Law No. 24,156 and Decree No. 340/96 and (i) Bonos de Consolidación issued under Law No. 24,411 and Decree No. 726/97; (ii) any indebtedness issued in exchange, or as replacement, for the indebtedness referred to in (i) above; and (iii) any other indebtedness payable by its terms, or which at the option of the holder thereof may be payable, in a currency other than the lawful currency of the Republic of Argentina which is (a) offered exclusively within the Republic of Argentina or (b) issued in payment, exchange, substitution, discharge or replacement of indebtedness payable in the lawful currency of the Republic of Argentina; provided that in no event shall the following indebtedness be deemed to constitute "Domestic Foreign Currency Indebtedness": (1) Bonos Externos de la República Argentina issued under Law No. 19,686 enacted on June 15, 1972 and (2) any indebtedness issued by the Republic in exchange, or as replacement, for any indebtedness referred to in (i) above.

(d) *Covenants*

In the Trust Deed, the Republic has given certain covenants to the Trustee, including a covenant that the Republic will maintain its membership in, and its eligibility to use the general resources of, the International Monetary Fund (the "IMF").

5. (i) *Interest on Fixed Rate Notes*

(a) *Interest Rate and Accrual*

Each Fixed Rate Note (i) bears interest on its Calculation Amount (as defined in Condition 5(iii)) from the Interest Commencement Date in respect thereof at the rate per annum (expressed as a percentage) equal to the Interest Rate specified on the face of such Note payable in arrear on each Reference Date or Reference Dates specified on the face of such Note in each year and on the Maturity Date specified on the face of such Note if that date does not fall on a Reference Date or (ii) bears interest as otherwise specified on the face of such Note.

Unless otherwise specified on the face of such Note, the first payment of interest will be made on the Reference Date next following such Interest Commencement Date (and if the Interest Commencement Date is not a Reference Date, will amount to the Initial Broken Amount specified on the face of such Note), unless the Maturity Date falls before the date on which the first payment of interest would otherwise be due. If the Maturity Date is not a Reference Date, interest from the preceding Reference Date (or from the Interest Commencement Date, as the case may be) to the Maturity Date will amount to the Final Broken Amount specified on the face of such Note.

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Interest will cease to accrue on each Fixed Rate Note on the due date for redemption or, if the Amortisation Provisions are specified on the face of the Notes as applying to such Notes, on each principal amount on the due date for payment thereof unless, upon due presentation (where presentation is required for payment), payment of principal is improperly withheld or refused. Any overdue principal of and, to the extent permitted by law, overdue interest on any Fixed Rate Note shall bear interest (before and after judgment), payable on demand, for each day such payment is due at the rate and in the manner provided in this Condition 5(I) to the Relevant Date (as defined in Condition 8).

(b) Calculations

Interest in respect of a period of less than one year will be calculated on the Fixed Rate Day Basis specified on the face of each Fixed Rate Note.

(II) Interest on Floating Rate Notes

(a) Interest Payment Dates

Each Floating Rate Note bears interest on its Calculation Amount from the Interest Commencement Date in respect thereof and such interest will be payable in arrear on each date ("Interest Payment Date") which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period on the face of the Note (the "Specified Number of Months") after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date (and which corresponds numerically with such preceding Interest Payment Date or Interest Commencement Date, as the case may be). If any Interest Payment Date would otherwise fall on a day which is not a Relevant Business Day (as defined below), it shall be postponed to the next day which is a Relevant Business Day unless it would thereby fall into the next calendar month. In any such case as aforesaid or if there is no date in the relevant month which corresponds numerically with the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date, then (i) the Interest Payment Date shall be brought forward to the immediately preceding Relevant Business Day and (ii) each subsequent Interest Payment Date shall be the last Relevant Business Day of the month which is the last of the Specified Number of Months after the month in which the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall have fallen.

The period beginning on the Interest Commencement Date and ending on the first Interest Payment Date and each successive period beginning on an Interest Payment Date and ending on the next succeeding Interest Payment Date is herein called an "Interest Period".

Interest will cease to accrue on each Floating Rate Note from the due date for redemption thereof or, if the Amortisation Provisions are specified on the face of the Notes as applying to such Notes, on each principal amount on the due date for payment thereof unless, upon due presentation (where presentation is required for payment), payment of principal is improperly withheld or refused. Any overdue principal of and, to the extent permitted by law, overdue interest on any Floating Rate Note shall bear interest (before and after judgment), payable on demand, for each day such payment is due at the rate and in the manner provided in this Condition 5(II) and the Trust Deed to the Relevant Date.

(b) Rate of Interest

Each Floating Rate Note bears interest at a variable rate determined by reference to a benchmark as specified on the face of such Note, being LIBOR (in which case such Note will be a LIBOR Note), LIBID (in which case such Note will be a LIBID Note), LIMEAN (in which case such Note will be a LIMBAN Note) or in any case such other benchmark as is specified on the face of such Note ("Benchmark").

Such variable rate may be adjusted by adding or subtracting the Spread (if any) specified on the face of such Note and/or by multiplying by the Spread Multiplier (if any) specified on the face of such Note. The "Spread" is the percentage rate per annum specified on the face of such Note as being applicable to the Relevant Rate (as defined in Condition 5(III)) for such Note and the "Spread Multiplier" is the percentage specified on the face of such Note as being applicable to the Relevant Rate for such Note.

The rate of interest ("Rate of Interest") payable from time to time will be determined by the Calculation Agent on the basis of the following provisions and shall be subject to Condition 5(II)(c), if applicable:—

(i) At or about the Relevant Time (as defined in Condition 5(III)) on the relevant Interest Determination Date (as defined in Condition 5(III)) in respect of each Interest Period, the Calculation Agent will:—

(A) in the case of a Floating Rate Note which specifies on its face that the Primary Source for Interest Rate Quotations shall be derived from a specified page, section or other part of a particular information service (a "Relevant Screen Page" as specified on the face of such Note), determine the Rate of Interest for such Interest Period which shall, subject as provided below, be (x) the Relevant Rate so appearing in or on that Relevant Screen Page (where such Relevant Rate is a composite quotation or interest rate per annum or is customarily supplied by one entity) or (y) the arithmetic mean (rounded, if necessary, to the next one-hundred thousandth of a percentage point) of the Relevant Rates of the persons at that time whose Relevant Rates so appear in or on that Relevant Screen Page, in any such case in respect of Specified Currency deposits for a period equal to the duration of such Interest Period and as adjusted by the Spread or Spread Multiplier (if any); and

(B) in the case of a Floating Rate Note which specifies on its face that the Primary Source of Interest Rate Quotations shall be the Reference Banks shown on the face thereof and in the case of Floating Rate Notes falling within Condition 5(II)(b)(i)(A) but in respect of which no Relevant Rate appears at or about such Relevant Time or, as the case may be, which are to be determined by reference to quotations of persons appearing in or on the Relevant Screen Page but in respect of which less than two Relevant Rates appear at or about such Relevant Time, request the principal offices in the Relevant Financial Centre (as defined in Condition 5(III)) of each of the Reference Banks shown on the face of the Notes (or, as the case may be, any substitute Reference Bank appointed from time to time pursuant to Condition 5(II)(g)) to provide the Calculation Agent with its Relevant Rate quoted to leading banks for the relevant Specified Currency deposits for a period equivalent to the duration of such Interest Period. Where this Condition 5(II)(b)(i)(B) shall apply, the Rate of Interest for the relevant Interest Period shall, subject as provided below, be the arithmetic mean (rounded, if necessary, to the next higher one-hundred thousandth of a percentage point) of such Relevant Rates as adjusted by the Spread or Spread Multiplier (if any) as calculated by the Calculation Agent.

(ii) If at or about the Relevant Time on any Interest Determination Date where the Rate of Interest falls to be determined pursuant to Condition 5(II)(b)(i)(B) in respect of a Floating Rate Note, two or three only of such Reference Banks provide such relevant quotations, the Rate of Interest for the relevant Interest Period shall, subject as provided below, be determined as aforesaid on the basis of the Relevant Rates quoted by such Reference Banks.

(iii) If at or about the Relevant Time on any Interest Determination Date where the Rate of Interest falls to be determined pursuant to Condition 5(II)(b)(i)(B) in respect of a Floating Rate Note denominated in a Specified Currency other than ECU (as described on Condition 7(f)), only one or none of such Reference Banks provides such Relevant Rates, the Rate of Interest for the relevant Interest Period shall, subject as provided below, be whichever is the higher of:—

(A) the Rate of Interest in effect for the last preceding Interest Period to which Condition 5(II)(b)(i)(A) or (B) or Condition 5(II)(b)(ii) shall have applied; and

(B) the rate per annum (expressed as a percentage) which the Calculation Agent determines to be the arithmetic mean (rounded, if necessary, to the next higher one-hundred thousandth of a percentage point) of the Relevant Rates in respect of the relevant currency which banks in the Relevant Financial Centre (as defined below) of the country of such currency selected by the Calculation Agent (after consultation with the Republic) are

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quoting at or about the Relevant Time on the relevant Interest Determination Date for a period equivalent to such Interest Period to leading banks carrying on business in that Relevant Financial Centre, as adjusted by the Spread or Spread Multiplier (if any) except that, if the banks so selected by the Calculation Agent are not quoting as aforesaid, the Rate of Interest shall, subject as provided below, be the rate of interest specified in Condition 5(II)(b)(iii)(A).

(iv) If at or about the Relevant Time on any Interest Determination Date where the Rate of Interest falls to be determined pursuant to Condition 5(II)(b)(i)(B) in respect of a Floating Rate Note denominated in ECU, one only or none of the Reference Banks provides such Relevant Rates, the Calculation Agent will request each of the Reference Banks to provide the Calculation Agent with the Relevant Rates quoted to them by leading banks in each relevant interbank market for deposits in each of the then component currencies of the ECU (the "Relevant Currencies") for the Interest Period concerned as at or about the Relevant Time on the relevant Interest Determination Date (provided that, if the EC ECU (as defined in Condition 7(f)(i)) is not then used in the European Monetary System, the component currencies of the ECU shall be those provided for under Condition 7(f)). The Rate of Interest for such Interest Period shall, subject as provided below, be the arithmetic mean (rounded, if necessary, to the next higher one-hundred thousandth of a percentage point) of the Relevant Rates so communicated by the Reference Banks or any two or more of them (if only such provide such Relevant Rates), weighted in the manner provided below, and as adjusted by the Spread or Spread Multiplier (if any) as calculated by the Calculation Agent, provided that, if at or about the Relevant Time on any Interest Determination Date the Reference Banks or any two or more of them (if only such provide such Relevant Rates) do not provide Relevant Rates for all the Relevant Currencies but do provide such Relevant Rates for Relevant Currencies representing in aggregate 95 per cent. (determined by the Calculation Agent as provided below) or more of one ECU on such Interest Determination Date, then the Rate of Interest pursuant to this Condition 5(II)(b)(iv) on the basis of the Relevant Rates so provided and ignoring the Relevant Currencies for which such Relevant Rates are not provided.

(v) If at or about the Relevant Time on any Interest Determination Date where the Rate of Interest falls to be determined pursuant to Condition 5(II)(b)(i)(B) in respect of a Floating Rate Note denominated in ECU, the Reference Banks or any two or more of them (if only such provide such Relevant Rates) provide the Calculation Agent with Relevant Rates pursuant to Condition 5(II)(b)(iv) for Relevant Currencies representing in aggregate less than 95 per cent. (determined as provided below) of one ECU on such Interest Determination Date then, with respect to each of the Relevant Currencies for which quotations are not so provided, the Calculation Agent shall determine such rate as is reasonably representative of the Relevant Rate in respect of deposits in such Relevant Currency of leading banks selected by it (after consultation with the Republic) in the Relevant Financial Centre at or about the Relevant Time on the relevant Interest Determination Date for a period substantially co-extensive with such Interest Period. If at or about the Relevant Time on any Interest Determination Date the Relevant Currencies for which Relevant Rates are provided by the Reference Banks pursuant to Condition 5(II)(b)(iv) and the Relevant Currencies for which rates as determined by the Calculation Agent pursuant to this Condition 5(II)(b)(v) represent in aggregate 95 per cent. or more (determined as provided below) of one ECU on such Interest Determination Date, the Rate of Interest for such Interest Period shall be calculated on the basis of such quotations and rates.

(vi) If in respect of a Floating Rate Note denominated in ECU the Calculation Agent is unable to determine the Rate of Interest for an Interest Period in accordance with Condition 5(II)(b)(i), (ii), (iv) or (v), the Rate of Interest for such Interest Period shall be the Rate of Interest in effect for the last preceding Interest Period to which Condition 5(II)(b)(i)(A) or (B) or 5(II)(b)(ii) shall have applied.

(c) *ECU Weighting*

For the purposes of this Condition 5, the weighting to be given to a Relevant Currency or the percentage which it bears to one ECU shall be determined by the Calculation Agent by reference to the proportion that the amount of such Relevant Currency included in one ECU bears to one ECU and

calculated on the basis of the U.S. dollar equivalent of each of the Relevant Currencies as at or about the Relevant Time on the Interest Determination Date in question. Such U.S. dollar equivalent shall be determined by the Calculation Agent in the manner provided under Condition 7(f), except that for the purposes of this Condition 5, (i) any reference therein to a Day of Valuation (as defined in Condition 7(f)) shall be deemed to refer to the Interest Determination Date in question, and (ii) if the EC ECU is being used in the European Monetary System on such Interest Determination Date, the components of the ECU shall be the currency amounts that are components of the EC ECU on such date.

(d) Minimum/Maximum Rates

If a Minimum Interest Rate is specified on the face of this Note, then the Rate of Interest shall in no event be less than it and if there is so specified a Maximum Interest Rate, then the Rate of Interest shall in no event exceed it.

(e) Determination of Rate of Interest and Calculation of Interest Amounts

The Calculation Agent will, as soon as practicable after the Relevant Time on each Interest Determination Date, determine the Rate of Interest and calculate the amount of interest payable (the "Interest Amounts") in respect of each Authorised Denomination of the relevant Floating Rate Notes (in the case of Bearer Notes) and the minimum Authorised Denomination (in the case of Registered Notes) for the relevant Interest Period. The Interest Amounts shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying such product by the actual number of days in the Interest Period concerned, divided by the FRN Day Basis specified on the face of such Note and rounding, if necessary, the resultant figure to the nearest unit of the relevant currency (half of such unit being rounded upwards) or, in the case of ECU, to the nearest 0.01 ECU (0.005 ECU being rounded upwards). The determination of the Rate of Interest and the Interest Amounts by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

(f) Notification of Rate of Interest and Interest Amounts

The Calculation Agent will cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to the Trustee, the Republic, each of the Agents and if the relevant Notes are for the time being listed on the Luxembourg Stock Exchange (the "Exchange"), the Exchange and to be notified to Noteholders in accordance with Condition 17 as soon as possible after their determination but in no event later than the fourth Relevant Business Day thereafter. The Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period.

(g) Determination or Calculation by the Trustee

If the Calculation Agent does not at any time for any reason so determine the Rate of Interest or calculate the Interest Amount for an Interest Period, the Trustee shall do so and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee shall apply the foregoing provisions of this Condition 5(II), with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(h) Calculation Agent and Reference Banks

The Republic will procure that, so long as any Floating Rate Note remains outstanding there shall at all times be four Reference Banks with offices in the Relevant Financial Centre and a Calculation Agent. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank then the Republic will appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for any Interest Period or to calculate the Interest Amounts, the Republic will appoint the London office of a leading bank engaged in the London and international interbank markets to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

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(III) Definitions

As used in these Conditions:—

"Calculation Amount" means the amount specified as such on the face of any Note as applying from time to time, or if no such amount is so specified, the Principal Amount of such Note from time to time as shown on the face thereof.

"Interest Commencement Date" means, in the case of the first issue of a Note or Notes of a Series, the date of issue of such Note or Notes (the "Issue Date") or such other date as may be specified as the Interest Commencement Date on the face of such Note and, in the case of a further issue of a Note or Notes of such Series, means the most recent Reference Date or, as the case may be, Interest Payment Date in relation to such first issue next preceding the date on which such further Note or Notes are issued or if there is no such date, the Interest Commencement Date in respect of such first issue, or in any case such other date as may be specified as the Interest Commencement Date on the face of such Note.

"Interest Determination Date" means, in respect of any Interest Period, that number of Relevant Business Days prior to the first day of such Interest Period as specified on the face of the relevant Note.

"Relevant Business Day" means:—

- (A) in the case of a currency other than ECU, a day (other than a Saturday or a Sunday):—
 - (i) on which banks and foreign exchange markets are open for business in the Relevant Financial Centre; and
 - (ii) on which banks are open for business in the principal financial centre of the currency of the Calculation Amount in respect of such Floating Rate Note and on which deposits in such currency may be dealt in the Relevant Financial Centre; and
- (B) in the case of ECU, a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the Relevant Financial Centre and which is not designated a non-settlement day for ECU on the Reuters ISDE Page on the Reuter Monitor Money Rates Service or a day so designated by the ECU Banking Association if ECU Non-Settlement Days do not appear on that page or, if no days are so settled, a day on which ECU interbank payments cannot be settled.

"Relevant Financial Centre" means:—

- (A) in the case of a currency other than ECU, London (in the case of LIBOR Notes, LIMEAN Notes or LIBID Notes) or (in the case of Floating Rate Notes the Rate of Interest in respect of which is to be calculated by reference to some other Benchmark) the financial centre specified on the face of the relevant Floating Rate Note, or if no such centre is so specified, the financial centre determined by the Calculation Agent to be appropriate to such Benchmark; and
- (B) in the case of ECU, London or such other or additional financial centre or centres as may be specified on the face of the relevant Floating Rate Note.

"Relevant Rate" means:—

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- (A) an offered rate in the case of a Note the Benchmark for which relates to an offered rate;
- (B) a bid rate in the case of a Note the Benchmark for which relates to a bid rate; and
- (C) the mean of an offered and bid rate in the case of a Note the Benchmark for which relates to the mean of an offered and bid rate.

"Relevant Time" means the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in that currency in the interbank market in that Relevant Financial Centre.

(IV) Zero Coupon Notes

Where a Zero Coupon Note is repayable prior to its Maturity Date and is not paid when due, the amount due and payable shall be the Amortised Face Amount of such Note as determined in accordance with Condition 6(c)(iii). Where a Zero Coupon Note is to be redeemed on its Maturity Date and is not paid when due, any overdue principal of such Note shall bear interest at a rate per annum (expressed as a percentage) equal to the Amortisation Yield specified on the face of the Note. Such interest shall continue to accrue (on the same basis as that referred to in Condition 5(I)) (before and after judgment) to the Relevant Date.

(V) Step-up and Step-down Notes

The face of the Notes issued in respect of a Tranche of Step-up Notes or Step-down Notes shall specify the dates on which interest shall be payable on such Notes, the rate at which the interest payable on each such date shall accrue and/or the basis for calculation thereof and the rate (or the basis of calculation of such rate) at which interest will accrue in respect of any overdue principal or overdue interest. Unless otherwise provided on the face of such Notes, such interest shall in all other respects accrue and shall be payable in accordance with Condition 5(I).

(VI) Principal Only Notes

Where a Principal Only Note is repayable prior to its Maturity Date and is not paid when due, the amount due and payable shall be the Amortised Face Amount of such Note as determined in accordance with Condition 6(g)(ii). Where a Principal Only Note is to be redeemed on its Maturity Date and is not paid when due, any overdue principal of such Note shall bear interest at a rate per annum (expressed as a percentage) equal to the Amortisation Yield for Principal Only Notes specified on the face of such Note. Such interest shall continue to accrue (on the same basis as that referred to in Condition 5(I)) (before and after judgment) to the Relevant Date.

(VII) Interest Only Notes

Where an Interest Only Note is payable prior to its Reference Date and is not paid when due, the amount due and payable shall be the Amortised Face Amount of such Note as determined in accordance with Condition 6(h)(iii). Where an Interest Only Note is to be paid on its Reference Date and is not paid when due, any overdue interest amount of such Note shall, to the extent permitted by law, bear interest at a rate per annum (expressed as a percentage) equal to the Amortisation Yield for the relevant Class of Interest Only Notes specified on the face of such Note. Such interest shall continue to accrue (on the same basis as that referred to in Condition 5(I)) (before and after judgment) to the Relevant Date.

6. Redemption and Purchase

(a) Redemption

Unless previously redeemed or paid or purchased and cancelled as provided below, this Note will be redeemed at its Principal Amount on the Maturity Date specified on its face (if this Note is specified on its face to be a Fixed Rate Note, a Zero Coupon Note or a Principal Only Note) or on the Interest Payment Date falling in the Redemption Month specified on its face (if this Note is specified on its face to be a

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Floating Rate Note) or will be paid at its Face Amount on the Reference Date specified on its face (if this Note is an Interest Only Note). If the Amortisation Provisions are specified on the face of this Note as applying to this Note, the Republic will pay instalments of principal in such amounts and on such dates (each of which shall be a Reference Date or Interest Payment Date) as are specified on the face of this Note (each a "Principal Payment Date") and references in these Conditions to "Maturity Date" or to the "Interest Payment Date falling in the Redemption Month" shall be to the final Principal Payment Date.

(b) Purchases

The Republic may at any time purchase Notes at any price (provided that in the case of Bearer Notes they are purchased together with all unmatured Principal Coupons (if any) and Coupons and unexchanged Talons relating to them) in the open market or otherwise, provided that in any such case such purchase or purchases are in compliance with all relevant laws, regulations and directives. The Notes so purchased, while held by or on behalf or for the benefit of the Republic, shall not entitle the holder to vote at any meetings of Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 11 and 12. The Republic will not acquire any beneficial interest in any Registered Note unless it gives prior written notice of each acquisition to the Trustee and the Registrar. The Trustee and the Registrar and all holders of Registered Notes shall be entitled to rely without further investigation on any such notification (or lack thereof).

For the purposes of these Conditions, "directive" includes any present or future directive regulation, request, requirement, rule or credit restraint programme of any relevant agency, authority, central bank department, government, legislature, minister, ministry, official, public or statutory corporation, self-regulating organisation or stock exchange.

(c) Early Redemption of Zero Coupon Notes

(i) The amount payable in respect of any Zero Coupon Note upon redemption of such Note pursuant to, if applicable, Condition 6(d) or (e) or upon it becoming due and payable as provided in Condition 10, shall be the Amortised Face Amount (calculated as provided below) of such Note.

(ii) Subject to the provisions of Condition 6(c)(iii), the Amortised Face Amount of any Zero Coupon Note shall be the sum of (A) the Reference Price specified on the face of such Note and (B) the aggregate amortisation of the difference between the Reference Price and the Principal Amount of such Note from the Issue Date to the date on which such Note becomes due and payable at a rate per annum (expressed as a percentage) equal to the Amortisation Yield specified on the face of such Note compounded annually. Where the specified calculation is to be made for a period of less than one year, it shall be made on the Fixed Rate Day Basis specified on the face of such Note.

(iii) If the amount payable in respect of any Zero Coupon Note upon redemption of such Note pursuant to, if applicable, Condition 6(d) or (e), or upon it becoming due and payable as provided in Condition 10, is not paid when due, the amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as described in Condition 6(c)(ii), except that Condition 6(c)(ii) shall have effect as though the reference therein to the date on which the Note becomes due and payable were replaced by a reference to the Relevant Date. The calculation of the Amortised Face Amount in accordance with this Condition 6(c)(iii) will continue to be made (before and after judgment) until the Relevant Date unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the Principal Amount of such Note together with any interest which may accrue in accordance with Condition 5(IV).

(d) Redemption at the Option of the Republic

If so provided on the face of the Notes issued in respect of a Tranche of Notes, the Republic may, subject to compliance with all relevant laws, regulations and directives and any minimum or maximum amounts to be redeemed as specified on the face of such Notes, on giving not more than 60 nor less than 30 days' irrevocable notice to the holders of those Notes redeem all or, if so specified on the face of such Notes, some of such Notes in the Principal Amount specified on the face of such Notes or integral multiples thereof, on the date or dates specified on the face of such Notes (which shall, in the case of a

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Floating Rate Note, be an Interest Payment Date) at their Principal Amount or, if applicable, at the premium or premia specified on the face of such Notes or at their Amortised Face Amount (in the case of Zero Coupon Notes) together with interest accrued to the date fixed for redemption.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 6. In the case of a partial redemption, the notice to Noteholders shall also contain the serial numbers of the Notes to be redeemed, which shall have been drawn in such place as the Trustee may approve and in such manner as it deems appropriate, subject to compliance with any applicable laws and stock exchange requirements.

(e) Redemption at the Option of Noteholders

If so provided on the face of the Note issued in respect of a Tranche of Notes, the Republic shall, subject to compliance with all relevant laws, regulations and directives, at the option of the holder of any such Notes, redeem such Notes on the date or dates specified on the face of such Notes (which shall, in the case of a Floating Rate Note, be an Interest Payment Date) at their Principal Amount or, if applicable, at the premium or premia specified on the face of such Notes or at their Amortised Face Amount (in the case of Zero Coupon Notes) together with interest accrued to the date fixed for redemption.

To exercise such option the holder must deposit such Notes with any Paying Agent (in the case of Bearer Notes) or the Registrar or any Transfer Agent (in the case of Registered Notes) at their respective specified offices, together with a duly completed notice of redemption ("Redemption Notice") in the form obtainable from any Agent not more than 60 nor less than 30 days prior to the relevant date for redemption. No Note (or Redemption Notice) so deposited may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Republic.

(f) Cancellation

All Notes so redeemed or paid will be cancelled forthwith and may not be re-sold or re-issued. All Notes so purchased and any unmatured Principal Coupons or Coupons or unexchanged Talons attached to or purchased with them may be cancelled or may be re-issued or resold.

(g) Early Redemption of Principal Only Notes

(i) The amount payable in respect of any Principal Only Note upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note.

(ii) Subject to the provisions of Condition 6(g)(iii), the Amortised Face Amount of any Principal Only Note shall be the sum of (A) the Reference Price for Principal Only Notes specified on the face of such Note and (B) the aggregate amortisation of the difference between such Reference Price and the Principal Amount of such Note from the Issue Date to the date on which such Note becomes due and payable at a rate per annum (expressed as a percentage) equal to the Amortisation Yield for Principal Only Notes specified on the face of such Note compounded annually. Where the specified calculation is to be made for a period of less than one year, it shall be made on the Fixed Rate Day Basis specified on the face of such Note.

(iii) If the amount payable in respect of any Principal Only Note upon it becoming due and payable as provided in Condition 10 is not paid when due, the amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as described in Condition 6(g)(ii), except that Condition 6(g)(ii) shall have effect as though the reference therein to the date on which the Note becomes due and payable were replaced by a reference to the Relevant Date. The calculation of the Amortised Face Amount in accordance with this Condition 6(g)(iii) will continue to be made (before and after judgment) until the Relevant Date unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the Principal Amount of such Note together with any interest which may accrue in accordance with Condition 5(VI).

(h) Early Redemption of Interest Only Notes

(i) The amount payable in respect of any Interest Only Note upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note.

(ii) Subject to the provisions of Condition 6(h)(iii), the Amortised Face Amount of any Interest Only Note shall be the sum of (A) the Reference Price for the Class of Interest Only Notes to which such Interest Only Note belongs specified on the face of such Note and (B) the aggregate amortisation of the difference between such Reference Price and the Face Amount of such Note from the Issue Date to the date on which such Note becomes due and payable at a rate per annum (expressed as a percentage) equal to the Amortisation Yield for the relevant Class of Interest Only Notes specified on the face of such Note compounded annually. Where the specified calculation is to be made for a period of less than one year, it shall be made on the Fixed Rate Day Basis specified on the face of such Note.

(iii) If the amount payable in respect of any Interest Only Note upon it becoming due and payable as provided in Condition 10 is not paid when due, the amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as described in Condition 6(h)(ii), except that Condition 6(h)(ii) shall have effect as though the reference therein to the date on which the Note becomes due and payable were replaced by a reference to the Relevant Date. The calculation of the Amortised Face Amount in accordance with this Condition 6(h)(iii) will continue to be made (before and after judgment) until the Relevant Date unless the Relevant Date falls on or after the Reference Date for such Class of Notes, in which case the amount due and payable shall, to the extent permitted by law, be the Face Amount of such Note together with any interest which may accrue in accordance with Condition 5(VII).

7. Payments and Talons*(a) Bearer Notes**(i) Payments of Principal and Interest*

Payments of principal in respect of Bearer Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Bearer Notes or (if the Amortisation Provisions are specified on the face of such Bearer Notes as applying) Principal Coupons and, in respect of the final instalment represented by a Principal Coupon, the relevant Bearer Notes and payments of interest in respect of Bearer Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Coupons, as the case may be, at the specified office of any Paying Agent outside the United States and its possessions (1) in respect of payments denominated in a Specified Currency other than U.S. dollars, ECU and Sterling, at the option of the holder either by a cheque in such Specified Currency drawn on, or by transfer to an account (in the case of a payment in Yen to a non-resident of Japan, a non-resident account) in such Specified Currency maintained by the payee with a bank (in the case of a payment in Yen to a non-resident of Japan, an authorised foreign exchange bank) in the principal financial centre of the country of such Specified Currency, (2) in respect of payments denominated in U.S. dollars, subject to Condition 7(a)(ii), at the option of the holder either by a U.S. dollar cheque drawn on a bank in New York City or by transfer to a U.S. dollar account maintained by the payee with a bank outside the United States of America, (3) in respect of payments denominated in ECU, subject to Condition 7(f), by credit or transfer to an ECU account specified by the payee (and payments in a component currency (if so determined in accordance with Condition 7(f)) will be made in the chosen currency (as defined in Condition 7(f)(ii)) by a cheque drawn on, or, at the option of the holder, by transfer to an account specified by the payee with a bank in the principal financial centre of the country of the chosen currency), (4) in respect of payments denominated in Sterling, by a Sterling cheque drawn on, or, at the option of the holder by transfer to a Sterling account with a town clearing branch of a bank in the City of London or (5) as may otherwise be provided in the applicable Pricing Supplement.

(ii) *Payments in the United States*

Notwithstanding the foregoing, payments in respect of Bearer Notes denominated in U.S. dollars may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (1) the Republic shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Bearer Notes in the manner provided above when due, (2) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (3) such payment is then permitted by United States law. If, under such circumstances, a Bearer Note is presented for payment of principal at the specified office of any Paying Agent in the United States or its possessions in circumstances where interest (if any is payable against presentation of the Bearer Note) is not to be paid there, the relevant Paying Agent will annotate the Bearer Note with the record of the principal paid and return it to the holder for the obtaining of interest elsewhere.

(iii) *Payments on Business Days*

Subject as provided on the face of a Note issued in respect of a Tranche of Notes, if any date for payment in respect of any Bearer Note, Principal Coupon or Coupon comprising all or part of such Tranche is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this Condition 7(a), "business day" means a day on which banks are open for business in the relevant place of presentation and:—

- (1) (in the case of a payment in a Specified Currency other than ECU) where payment is to be made by transfer to an account maintained with a bank in the relevant Specified Currency, on which dealings may be carried on in the relevant Specified Currency in the principal financial centre of the country of such Specified Currency; or
- (2) (a) in the case of payment in ECU, a day which is an ECU business day (as defined below) or (b) in the case of payment in a chosen currency by transfer to an account, a day on which banks and foreign exchange markets are open for business in the principal financial centre of such chosen currency. "ECU business day" means any day other than Saturday, a Sunday or a day designated as a non-settlement day for ECU on the Reuters Screen ISDE page on the Reuters Monitor Money Rates Service or a day so designated by the ECU Banking Association if ECU Non-Settlement Days do not appear on that page or, if no days are so designated, a day on which ECU interbank payments cannot be settled.

If the due date for redemption or repayment in full of any Bearer Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note. Interest accrued on a Zero Coupon Note from its Maturity Date shall be payable on repayment of such Zero Coupon Note against presentation thereof.

(b) *Registered Notes*

(i) *Payments of Principal*

Payments of principal in respect of Registered Notes falling due on the Maturity Date or the Interest Payment Date falling in the Redemption Month will be made by the Principal Paying Agent in the manner provided for in Condition 7(a)(i), subject to Condition 7(b)(iv). Each such payment of principal will only be made against surrender of the relevant Definitive Registered Note at the specified office of any Transfer Agent. In respect of those Notes to which the Amortisation Provisions are specified on the face of such Notes as applying, payments of principal falling due other than on the Maturity Date or the Interest Payment Date falling in the Redemption Month will be made by the Principal Paying Agent in the manner provided for payments of interest in Condition 7(b)(ii) and, if the amount of principal being paid is less than the Principal Amount of the relevant Definitive Registered Note, the Registrar will annotate the Register with the amount of principal so paid and will (if so requested by the Republic or a Noteholder) upon surrender of the existing Definitive Registered Note at the specified office of the Registrar or any

Transfer Agent issue a new Definitive Registered Note with a Principal Amount equal to the remaining unpaid Principal Amount which will be mailed to the holder in accordance with Condition 2(a).

(ii) Payments of Interest

Interest on Registered Notes payable on any Reference Date or Interest Payment Date will be paid by the Principal Paying Agent to the person shown on the Register or, in the case of Interest Only Notes, the Interest Register at the close of business on the fifteenth day before the due date for payment thereof (the "Record Date"). Payments in respect of Interest Only Notes will only be made against surrender of the relevant Interest Only Note at the specified office of any Transfer Agent. Payments of interest on each Registered Note (other than a Note denominated in ECU) will be made in the Specified Currency in which such Notes are denominated, subject to Condition 7(b)(iv), by cheque drawn on a bank in the principal financial centre of the country of the currency concerned and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register or Interest Register, as the case may be, maintained by the Registrar. Payments in respect of Notes denominated in ECU will be made in the manner provided in Condition 7(a)(i). Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of that Specified Currency.

For the purposes of these Conditions, the principal financial centre in respect of Australian dollars shall be Melbourne.

(iii) Payment Initiation

Where payment is to be made by transfer to an account in the relevant Specified Currency, payment instructions (for value the due date, or if that is not a business day, for value the first following day which is a business day) will be initiated, and, where payment is to be made by cheque, the cheque will be mailed on the business day preceding the due date for payment or, in the case of payments of principal or, in respect of an Interest Only Note, interest if later, on the business day on which the relevant Definitive Registered Note is surrendered at the specified office of any Transfer Agent.

(iv) Payments Through The Depository Trust Company

Registered Notes, if so specified in the relevant Pricing Supplement, will be issued in the form of one or more Definitive Registered Notes registered in the name of, or the name of a nominee for, The Depository Trust Company ("DTC"). Payments of principal and interest in respect of Registered Notes denominated in U.S. dollars will be made in accordance with Condition 7(b)(i), (ii) and (iii). Payments of principal and interest in respect of Registered Notes denominated in a Specified Currency other than U.S. dollars will be made by the Principal Paying Agent in the relevant Specified Currency in accordance with the provisions of Condition 7(b)(i), (ii) and (iii) to participants in DTC who are beneficial owners of such Registered Notes.

(v) Delay in Payment

Noteholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a business day, if the Noteholder is late in surrendering its Definitive Registered Note (if required to do so) or if a cheque mailed in accordance with this Condition 7(b) arrives after the due date for payment.

(vi) Payments on Business Days

For the purposes of this Condition 7(b), "business day" means a day on which commercial banks in the relevant city and, in the case of a surrender of a Definitive Registered Note, in the place the Definitive Registered Note is surrendered, are open.

(vii) Payment Not Made in Full

If the amount of principal or interest which is due on the Registered Notes is not paid in full, the Registrar will annotate the Register, the Principal Register or the Interest Register, as appropriate, with a record of the amount of principal or interest, if any, in fact paid.

(c) Payments Subject to Law etc.

All payments are subject to all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders, Principal Couponholders (if any) or Couponholders in respect of such payments.

(d) Appointment of Agents

The Paying Agents, the Registrar, the Calculation Agent and Transfer Agents initially appointed by the Republic and their respective specified offices are listed below. The Republic reserves the right at any time to vary or terminate the appointment of any Paying Agent, the Registrar, the Calculation Agent or any Transfer Agent, to appoint another Registrar or Calculation Agent and to appoint additional or other Paying Agents or Transfer Agents, provided that the Republic will at all times maintain (i) a Principal Paying Agent, (ii) a Registrar and a Transfer Agent having a specified office in New York City, (iii) a Paying Agent and a Transfer Agent having a specified office in a European city which, so long as the Notes are listed on the Luxembourg Stock Exchange, shall be Luxembourg, (iv) a Paying Agent having a specified office in Paris for so long as the Notes are listed on the Paris Stock Exchange and such other agents as may be required by any other stock exchange on which the Notes may be listed and (v) a Calculation Agent.

In addition, the Republic shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in Condition 7(a)(ii).

Notice of any such change or any change of any specified office will promptly be given to the Noteholders in accordance with Condition 17.

(e) Unmatured Coupons and Principal Coupons and Unexchanged Talons

(i) Fixed Rate Notes which are Bearer Notes, other than Notes which are specified on their face to be Long Maturity Notes (being Fixed Rate Notes whose Principal Amount is less than the aggregate interest payable thereon on the relevant dates for payment of interest under Condition 5(1)(a)) or Notes to which the Amortisation Provisions are specified on their face as applying, should be surrendered for payment of principal together with all unmatured Coupons (if any) appertaining thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the principal due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9). If the date for payment of principal is any date other than a date for payment of interest, the accrued interest on such principal shall be paid only upon presentation of the relevant Note.

(ii) If so specified on the face of this Note, upon the due date for redemption of any Floating Rate Note or Long Maturity Note which is a Bearer Note or any Note to which the Amortisation Provisions are specified on such Note to apply, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Note to which the Amortisation Provisions are specified on its face as applying, an amount equal to the face value of each missing unmatured Principal Coupon (or, in the case of payment not being made in full, that portion of the amount of such missing unmatured Principal Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the principal due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Principal Coupon within a

period of 10 years from the Relevant Date for the payment of such principal (whether or not such Principal Coupon has become void pursuant to Condition 9).

(iv) Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(v) Where any Floating Rate Note or Long Maturity Note which is a Bearer Note or any Note to which the Amortisation Provisions are specified on the face of such Note as applying is presented for redemption without all unmatured Principal Coupons (if any) any Coupons and unexchanged Talons relating to it, and where any Bearer Note is presented for redemption without any exchanged Talon relating to it, redemption shall be made only against the provisions of such indemnity as the Republic may require.

(f) *ECU Notes*

(i) *Composition of ECU*

Subject to the provisions of this Condition 7(f), the composition of the ECU for the purpose of any Notes denominated in ECU is the same as the composition of the ECU that is used from time to time in the European Monetary System (the "EC ECU") and which is as at the date of the Trust Deed composed of specified amounts of the currencies of the member countries of the European Communities ("EC") as shown below.

Pursuant to Council Regulation (EEC) No. 1971/89 of June 19, 1989, the EC ECU has been determined to be the sum of the following components:

0.6242	German mark	0.130	Luxembourg franc
0.08784	Pound sterling	0.1976	Danish krone
1.332	French franc	0.008552	Irish pound
151.8	Italian lire	1.440	Greek drachmas
0.2198	Dutch guilder	6.885	Spanish pesetas
3.301	Belgium francs	1.393	Portuguese escudos

The basis may be changed by the EC, including changes in the components, in which event the composition of the ECU will change accordingly.

(ii) *Payments in a component currency*

With respect to each due date for the payment of principal, interest or other amounts in respect of Notes denominated in ECU on which the EC ECU is not used in the European Monetary System, the Trustee shall, without liability on its part and without having regard to the interests of individual Noteholders, choose a component currency of the EC ECU (the "chosen currency") in which all payments due on that due date with respect to such Notes shall be made. Notice of the chosen currency selected by the Trustee shall, where practicable, be given to Noteholders in accordance with Condition 17. The amount of each payment in the chosen currency shall be computed on the basis of the equivalent of the ECU in that currency, determined as set out in this Condition 7(f) as of the fourth Relevant Business Day prior to the date on which such payment is due.

On the first Relevant Business Day on which the EC ECU is not used in the European Monetary System, the Trustee shall, without liability on its part and without having regard to the interests of individual Noteholders, choose a component currency of the EC ECU (the "chosen currency") in which all payments of principal, interest or other amounts in respect of Notes denominated in ECU having a due date prior thereto but not yet presented for payment are to be made. The amount of each payment in the chosen currency shall be computed on the basis of the equivalent of the ECU in that currency determined as set out in this Condition 7(f), as of such first Relevant Business Day.

The equivalent of the ECU is the relevant chosen currency as of any date (the "Day of Valuation") shall be determined by the Exchange on the following basis. The component currencies of the ECU for this